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14 NOV 1973

MEMORANDUM FOR: Deputy Director for Management and Services

SUBJECT : DDM&S Control of M&S Positions and Personnel

REFERENCE : Memorandum for DDM&S from Management and Services Advisory Group, dated 15 October 1973, same subject

1. The Office of Finance does not agree with the position taken by the Management and Services Advisory Group in the referent memorandum. The rationale for our position is contained in the following paragraphs:

a. Each of the DDM&S offices currently is responsible for and, in fact, controls long-range planning for its careerists. Training and assignments essential to growth of an individual are determined by the respective Career Service Panels subject, of course, to the concurrence of the Head of the Career Service. We do not agree that long-range planning could be improved just because the DDM&S had control over M&S positions and resources.

b. If the DDM&S offices "owned" all slots, the Office of Finance would have to more than double its budget, defend our position on a country-to-country basis as well as in all Directorates. If any personnel cuts were imposed, host components could be expected to criticize M&S for any failure to fully defend slots that the operating component deemed necessary in order to accomplish its mission/objectives. We believe the operating elements of the Agency should continue to defend their own requirements.

c. The topic of double jeopardy, terminology used in connection with the recent position reductions, has been the subject of many discussions over the past several months. Although all M&S offices have had to confront this issue, we believe that a more serious situation might have existed if the DDM&S had "owned" its own slots. We take this position due to the manner in which the cuts were imposed, i.e., on a percentage basis of authorized positions. Whereas, by components retaining slots to satisfy their financial management requirements, we have had to take fewer cuts outside

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the Office of Finance than inside. During the last ten-year period we have only lost [REDACTED] outside slots as compared to [REDACTED] inside slots, during which period we had approximately an equal number of positions outside as inside. If M&S had owned the entire MF slots, [REDACTED] and the cuts were applied externally in the same ratio as internally, we would have lost [REDACTED] more positions and, therefore, would have been unable to provide an adequate number of finance officers to fill the financial management requirements of Agency operating components.

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d. Centralized control of positions and resources will not in itself provide for better qualified and experienced M&S personnel. It is our opinion that we can plan for and provide qualified officers only when we know what components actually require. Centralization of control over positions and resources would not affect this position in any way. In many cases, Agency components have consulted with us regarding proposed reductions in or requirements for Finance slots and, as a result, we have been able to negotiate a solution with respect to staffing requirements and still maintain appropriate financial standards.

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e. We believe that if the operating components had to give up slots (transfer them to M&S), they would probably be very reluctant to accept the assignment of a professional M&S careerist to a position formerly occupied by a member of their own career service. For example, when [REDACTED] DD/O Senior Budget Officer retired, he occupied a D slot; however, DD/O was willing to accept an MF Careerist, subject, of course, to his being able to do the job, but the DD/O reserved the right to look elsewhere if we couldn't produce the right man. If they had to make an irrevocable decision (give slot to M&S), it is very probable that they would not have looked to the Office of Finance to provide the professional expertise.

2. Another factor that should be recognized is that the administrative responsibilities currently accomplished by the operating components would, of necessity, be transferred to the Support Offices, and we do not believe this to be cost effective. We estimate that it would take eight (8) additional slots (650 more square feet of space plus equipment) to handle the paperwork associated with overseas

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rotation (including Agency travel orders, cover travel orders, liaison with Central Cover Staff, Medical Staff, etc.) and the formulation and execution of the office budget. The budgetary problem would appear to be significant as we would be responsible for budgeting for all support costs on a world-wide basis. Conversely, these functions are currently being performed by operating components, and it is suggested that the workload impact is negligible due to the insignificant number of support personnel assigned to the operating components.

3. DDM&S vs operating component control of slots should also be viewed from the political standpoint. At the present time our M&S officers, with the possible exception of communicators and doctors, are considered to be part of the management team both at Headquarters and at field installations. We believe that this is a very healthy condition which should be strongly encouraged and supported. Consideration should be given to the possibility that our people might be considered to be outsiders if M&S controlled the positions.

4. Continuing the theme contained in the above paragraph, it is conceivable that M&S could be criticized for not providing adequate support if problems developed, such as poor audit reports. Managers of components (divisions, offices and stations) could claim that they are not responsible for reported shortcomings or mismanagement of financial resources because M&S did not provide personnel of the appropriate grades and numbers. Currently, we recommend staffing complements based on requirements. If the operating component does not accept our recommendation and provide fewer or lower-graded slots, they are solely responsible for any deficiencies in their financial operations.

5. We are also concerned about our ability to provide personnel upon request, particularly if our customers did not have to provide for the slots and financial resources. It is suggested that this problem can easily be avoided by continuing to require our operating components to "put up" the necessary slots and money to pay for the professional services they require.

6. In summary, the Office of Finance does not feel that the transfer of positions to the DDM&S would serve any real purpose. Furthermore, we believe that our customers know what their requirements are, and that they should be willing to pay for the professionalism they require. Therefore, it is recommended that no action be taken at this time with respect to the recommendation contained in paragraph 4 of the referent memorandum.

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Thomas B. Yal
Director of Finance